

**MARICOPA COUNTY  
EMPLOYEE BENEFITS TRUST FUNDS  
Financial Commentary  
January 2016**

**Recent Operating Issues**

The Fiscal Year 2015 annual audit report was issued by our external auditor with a clean opinion. This essentially says that the financial statements are presented correctly.

For the FY 2014 audit report, the auditors disclosed in their report a deficiency in internal controls that they considered to be significant as required by government auditing standards:

*A medical provider was over paid for capitation charges by the health plan administrator during the years 2011 through 2014 which was charged to the Maricopa County Employee Benefit Trust. The amount was approximately \$1,000,000 for fiscal year 2014 and \$5,000,000 for previous years dating back to 2011. This was an error caught by the provider and reported to Maricopa County. The refund was paid to Maricopa County Employee Benefits Trust in September 2014. A plan should be developed to periodically check that these overcharges do not occur in the future.*

A plan was developed between the medical provider and the Maricopa County Benefits Trust in which as periodic report of the capitation charges broken out by category is provided for review by Maricopa County to satisfy the finding.

In December 2015, Maricopa County made its second payment to the Federal Government for the Transitional Reinsurance Fee which is required by the Affordable Care Act. The amount of the payment was \$1,217,451 which can be compared to December 2014 payment of \$1,707,137. This amount was fully budgeted for in the premium rates approved by the Board of Supervisors. This fee was established to stabilize premiums in the health marketplace for those with pre-existing conditions. It should be noted that the PCORI Fee in the chart below helps to fund the Patient-Centered Outcomes Research Institute.

**Affordable Care Act Payments**

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Transitional Reinsurance Fee		\$1,707,137	\$1,217,451
PCORI Fee	\$26,649	53,298	54,418
IRS Form 1095-C Vendor			104,840
Total	26,649	1,760,435	1,376,709

On January 30<sup>th</sup>, Maricopa County, via our contracted service provider, mailed out 14,019 1095-C "Employer Provided Health Insurance Offer and Coverage Forms" to all individuals either offered coverage or provided coverage under Maricopa County's three Medical Plans. This is the first year this form is required by the Affordable Care Act. The IRS has provided a correction period up to June 30, 2016 for submission to the IRS, for plans to make needed corrections. The County is in the process of reviewing and correcting forms as needed.

## January 2016 – Mid Year Review

The Benefit Trust had a positive net margin of \$3,608,101 for the seven months ended January 31, 2016. The major plans are presented below.

### Seven Months Year-to-Date 1/31/2016

<u>Fund/Plan</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Net</u>
601-MEDICAL HMO	\$28,314,529	\$30,702,857	\$2,388,328
604-MEDICAL PPO	22,181,096	23,724,630	1,543,534
606-MEDICAL HDHP W HSA	13,996,066	15,077,147	1,081,082
Total Medical	64,491,691	69,504,635	5,012,944

608-COINSURANCE PHARMACY	\$12,045,671	\$10,537,568	(\$1,508,103)
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The three medical plans booked a profit of \$5,012,944 for the seven months ended January 31, 2016. Medical claims incurred normally run 45% to 47% (for the July to December period) so it expected that most of this profit will disappear by the end of the fiscal year. Thus, a review of indicators to help estimate full year results follows.

## Medical Plan Expenditures

Medical Plan expenditures are not fully predictable, but can be estimated when reviewing past monthly payment history, computed claims lag by month history and recent high dollar claim experience. Below is a summary of medical plan claims for the last 19 months. At the start of FY2015 unusually high claims payments resulted when a switch was made between medical plan administrators for the PPO and the HDHP plans. At the start of FY 2016 there again was a period of high claims payments as several ultra high claim were incurred immediately before the start of FY 2016. It should be noted that on a year-to-date basis, claims are up \$1,987,000 or 3.4% versus the prior year. This increase is within our expectations. As there was very little shift in membership between plans, the per member statistics are not significant for this review.

### Medical Plans - Paid Claims by Month

<u>Month</u>	<u>HMO</u> <u>2015</u>	<u>HMO</u> <u>2016</u>	<u>PPO</u> <u>2015</u>	<u>PPO</u> <u>2016</u>	<u>HDHP</u> <u>2015</u>	<u>HDHP</u> <u>2016</u>	<u>Total Med.</u> <u>2015</u>	<u>Total Med.</u> <u>2016</u>
July	4,261,544	3,438,900	3,768,205	3,612,244	1,739,087	2,339,001	9,768,835	9,390,144
August	3,655,956	4,093,005	2,836,689	3,069,123	1,337,142	1,698,060	7,829,788	8,860,188
September	3,326,126	4,682,811	3,032,866	3,110,966	1,387,853	1,289,175	7,746,845	9,082,952
October	4,506,350	4,450,535	2,603,078	3,130,970	1,442,512	2,101,915	8,551,940	9,683,420
November	3,738,505	3,585,405	2,691,020	2,731,635	1,695,745	1,548,816	8,125,270	7,865,856
December	3,221,916	3,090,299	2,566,472	3,028,191	2,117,618	1,836,040	7,906,005	7,954,530
January	4,145,957	3,288,290	2,715,735	2,654,235	1,864,758	1,862,868	8,726,450	7,805,394
February	3,053,057		2,808,400		1,823,130		7,684,587	
March	4,715,262		3,082,789		2,238,896		10,036,947	
April	4,555,437		4,176,927		1,981,113		10,713,478	
May	4,079,428		3,447,674		2,055,833		9,582,935	
June	4,031,235		3,269,089		2,420,159		9,720,484	
Total	47,290,775	26,629,244	36,998,944	21,337,364	22,103,846	12,675,875	106,393,565	60,642,484

Prior YTD	26,856,355	20,214,064	11,584,715	58,655,134
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## **Large Claims Payments in excess of \$50,000**

A review of the large claim trend is needed as this is the most unpredictable aspect of medical claims forecasting. The Medical HMO plan had an unusually large number of large claims in FY 2015, which appears to have been an anomaly as on a year-to-date basis this plan has lower large claims by about \$1,500,000. For all three plans, large claims are up about \$1,100,000 versus prior year as of January year-to-date which is a 5% increase versus prior year. This seems to be in line with forecast.

<b>Large Claims Costs per Plan</b>	<b><u>Jan 2016</u></b> <b><u>YTD</u></b>	<b><u>Jan 2015</u></b> <b><u>YTD</u></b>	<b><u>FY 2015</u></b>	<b><u>FY 2014</u></b>	<b><u>FY 2013</u></b>
601-MEDICAL HMO	8,712,286	10,348,539	19,664,186	14,117,580	14,627,264
604-MEDICAL PPO	7,658,017	6,358,045	15,125,390	15,666,695	12,019,846
606-MEDICAL HDHP W HSA	5,626,306	4,176,037	10,202,018	7,491,323	3,531,048
Total	21,996,609	20,882,621	44,991,594	37,275,598	30,178,157

## **Claim Lag by Month**

The Incurred but not Reported Liability (IBNR) is calculated using Lag schedules. It is helpful to re-evaluate the accuracy of previous projections to determine how the current projection should be adjusted. As of Fiscal Year-End 2015, \$12,264,639 was recorded as the outstanding liability for Medical IBNR, which was conservative by about \$550,000 as the actual IBNR with runout through January 2016 is \$11,690,550. The January 2016 lag is \$400,000 lower than the January 2015 lag which is somewhat optimistic, but is based on the lower level of claims payments in recent months.

### **Summary of Actual Claim Lag Liability by Month and by Plan**

<b>Claim Lag</b>	<b>HMO</b> <b><u>FY 2015</u></b>	<b>HMO</b> <b><u>FY 2016</u></b>	<b>PPO</b> <b><u>FY 2015</u></b>	<b>PPO</b> <b><u>FY 2016</u></b>	<b>HDHP</b> <b><u>FY 2015</u></b>	<b>HDHP</b> <b><u>FY 2016</u></b>	<b>Total Med.</b> <b><u>FY 2015</u></b>	<b>Total Med.</b> <b><u>FY 2016</u></b>
July	3,398,009	4,160,986	5,120,052	4,229,596	1,627,763	2,471,770	10,145,824	10,862,353
August	3,609,976	4,169,895	4,136,944	3,843,979	1,585,382	2,069,482	9,332,302	10,083,356
September	4,478,944	3,697,897	3,639,959	3,625,636	1,751,503	2,077,783	9,870,406	9,401,315
October	4,103,347	3,027,064	3,694,792	3,419,969	1,740,742	1,758,998	9,538,881	8,206,031
November	3,774,098	2,993,443	3,356,509	3,836,723	2,079,736	1,876,123	9,210,343	8,706,289
December	4,289,877	2,932,761	3,765,501	3,850,176	2,198,135	2,184,883	10,253,513	8,967,819
January	4,194,816	3,502,671	4,355,937	4,372,316	2,150,872	2,429,377	10,701,624	10,304,364
February	5,385,248		5,414,730		2,059,828		12,859,806	
March	4,801,817		5,506,895		1,854,079		12,162,791	
April	4,271,170		5,155,813		1,986,054		11,413,037	
May	4,021,259		4,666,755		2,665,027		11,353,042	
June	3,770,074		4,749,354		3,171,122		11,690,550	

## **Pharmacy Benefit Plan**

The pharmacy plan lost \$1,508,103 on a year-to-date basis through January 31, 2016. Two main contributors to this loss were Harvoni for Hepatitis C for which prescriptions increased \$614,250 versus the prior year and Humira Pen for arthritis which had a \$238,924 increase in prescription costs. While there are other cost increases due to new Specialty pharmaceuticals, generic price inflation and brand price inflation, some of the costs increases were offset on a year-to-year basis



by a \$670,000 reduction in compound drug costs, due to the pharmacy benefit manager implementing prior authorization controls on compound pharmacy prescriptions effective 1/1/2015

**Pharmacy Plan Product Costs FY 2016 vs FY 2015 (Plan and Employee Share)**

	Jan 2016 YTD	Jan 2015 YTD	
Product Name	Ingredient Cost	Ingredient Cost	Increase
HARVONI	\$803,250.00	\$189,000.00	\$614,250.00
SOVALDI	\$141,792.00	\$278,712.00	(\$136,920.00)
HUMIRA PEN	\$687,241.02	\$448,316.19	\$238,924.83
ADVATE	\$464,049.52	\$281,637.61	\$182,411.91
ENBREL SURECLICK	\$258,615.58	\$290,772.03	(\$32,156.45)
LANTUS SOLOSTAR	\$243,903.66	\$267,282.59	(\$23,378.93)
TECFIDERA	\$240,276.78	\$252,813.39	(\$12,536.61)
HUMIRA	\$204,346.71	\$152,401.31	\$51,945.40
Compound RX	\$60,000.00	\$737,174.19	(\$677,174.19)
Subtotal	\$3,103,475.27	\$2,898,109.31	\$205,365.96
Others	\$10,690,641.64	\$9,518,765.55	\$1,171,876.09
Total	\$13,794,116.91	\$12,416,874.86	\$1,377,242.05

**January 2016 Year-To-Date Results**

As of January 31, 2016, cash and cash equivalents were \$30,087,289 as compared to the June 30, 2015 balance of \$33,472,497; a decrease of \$3,385,208. Cash that is not controlled directly by the County is shown in the prepaid insurance balance sheet account. This was \$1,430,441 as of January 31st versus a balance of \$1,694,818 on June 30, 2015; a decrease of \$264,377. Prepaid insurance consists of the money used to fund the Trust transfers to outside bank accounts to pay for Cigna and United Health Group medical claims via sweeps. The combined reduction in cash-like balances year-to-date was \$3,649,585.

One thing that should be noted is that the cost allocation rate being charged to departments was budgeted at a rate lower than the employer cost of benefit premiums. As cash is pulled from a clearing fund to record premium revenues, the money that comes into the fund via the cost allocation from departments is not great enough to cover the revenues reported. This creates a receivable of \$3,546,330 which is the Premium Deficiency from Departments.

**Review of Cash**

	1/31/2016	6/30/2015	Increase/ (Decrease)
Cash and cash equivalents	\$30,087,289	\$33,472,497	(\$3,385,208)
Prepaid insurance	1,430,441	1,694,818	(\$264,377)
Total Cash	\$31,517,730	\$35,167,315	(\$3,649,585)

**Major Cash Changes for January 2016 YTD**

	Cash Flows
Total Cash 6/30/2015	35,167,315
Net Margin	3,608,101
Change in Accr. Liabilities\Accounts Payable	(2,055,658)
Reduction in IBNR Liability	(1,864,639)
Increase in Premium Deficiency from Departments	(3,546,330)
Other Net Uses of Cash	208,941
Total Reduction in Cash	(3,649,585)
Total Cash 1/31/2016	31,517,730

Net margin January year to date 2016 was \$3,608,101. This profit occurred mainly in the three medical plans (\$5,012,944) which was partially offset by a loss in the coinsurance pharmacy plan (\$1,508,103).

Large claims are slightly higher for January 2016 YTD at \$21,996,609 versus prior year at \$20,882,621 which is an increase of 5.3% which is much in line with overall expenditure increases.

### Review of the Fund Balance Roll-Forward

The three Medical Plans are showing a net margin of (\$5,012,944) year to date through January 2016. The HMO, PPO, and High Deductible Health Plan had positive net margins of \$2,388,328, \$1,543,534, and \$1,081,082 respectively. This favorable margin was largely due to the approximately 9% overall rate increase for the Trust and no unfavorable large claim activity.

The Coinsurance Pharmacy Plan had a net loss of \$1,508,103 year-to-date January 2016 due to increases in Hepatitis C drugs claims – for Harvoni (\$614,250) and increases in anti-arthritis specialty drugs as well as other specialty drugs.

The Short-Term Disability plans had a positive net margin of \$265,493 year-to-date January 2016. Claims experience for the remainder of the year will be monitored to help determine if a slight reduction in rates is needed for the upcoming renewal exercise.

### Full Year Forecast for Year ended June 2016

For the Fiscal Year ended 6/30/2016, the Benefit Trust operations are forecasted to lose \$2,012 which is lower than the Premium Deficiency Reserve of \$839,748 which was included in addition to the Actuary's recommended reserve of \$14,634,068 (on a Financial Statements comparable basis). Profit in the HMO plan of \$3,790,548 is projected to be fully offset by losses in the Coinsurance Pharmacy Plan (\$3,022,410) and PPO plan (\$759,793). The \$2,012 full year loss has excluded the impact of the Benefit Holiday which is forecasted at \$5,775,614.

	<b>FY 2015 Actual 6/30/2015</b>	<b>FY 2016 Forecast 6/30/2016</b>
Opening Fund Balance	37,899,371	15,850,114
Less: Operating Loss	(9,435,741)	(2,012)
Less: Benefit Holiday	(10,840,819)	(5,775,614)
Less: Pension Adjustment	(1,772,697)	0
Ending Fund Balance	15,850,114	10,072,488
Add: Net Pension Liability	1,784,535	1,784,535
Adjusted Ending Fund Balance	17,634,649	11,857,023
Remove Short-Term Disability Fund Balance	(1,750,201)	(1,750,201)
Available Assets to Cover Reserve	15,884,448	10,106,822
Recommended Reserve	14,634,068	14,634,068
Assets in Excess/(Under) Reserve	1,250,380	(4,527,246)

## Benefit Holiday

A single benefit holiday was budgeted for Fiscal Year 2016 for both employees and department paid premiums. The amount budgeted was \$5,775,614 in anticipation that the FY 2016 ending fund balance would be sufficient to support the premium holiday. However, some unexpected large claims occurred at year-end 2015 that reduced fund balance to a lower level than anticipated during the budgeting process. In addition, the recommended reserves as of 6/30/2015 were increased from the previous year. As a result, forecasted ending fund balance for FY 2016 is anticipated to fall below recommended reserve levels after the premium holiday is implemented. County management recognizes that the reserve needs to be maintained, but has decided to proceed with the premium holiday in order to avoid disruption to department budgets. In the meantime,

To bring Trust fund balance up to the recommended reserve level, three actions are recommended:

- 1) The Benefit Cost Allocation to departments for fiscal year 2017 will be raised to repay the total FY 2016 premium holiday (employer plus employee). The Benefits Admin Rate charged to the Cost Pool will be raised to a level high enough to move funds out of the Cost Pool and into the Benefits Trust.
- 2) The Board of Supervisors action to approve the premium holiday will include an explicit commitment to cover a deficit in the Benefits Trust with General Fund resources (consistent with last year's action).
- 3) The Board of Supervisors will be asked to appropriate a reserve in the General Fund for FY 2016 and FY 2017 equal to the FY 2016 premium holiday, which will be maintained until Benefits Trust reserves accumulate to recommended levels.



**MARICOPA COUNTY**  
**EMPLOYEE BENEFITS TRUST FUNDS**  
**Fund Balance Roll-Forward**  
**Seven Months Ended January 31, 2016**

<u>Self Insured Funds</u>				<u>Fund Balance</u>	<u>Fund Balance</u>
<u>Fund</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Net</u>	<u>7/1/2015</u>	<u>1/31/2016</u>
601-MEDICAL HMO	\$ 28,314,529	\$ 30,702,857	2,388,328	1,854,530	4,242,858
604-MEDICAL PPO	22,181,096	23,724,630	1,543,534	(12,091,905)	(10,548,371)
606-MEDICAL HDHP W HSA	13,996,066	15,077,147	1,081,082	(9,604,401)	(8,523,319)
<b>Total Medical &amp; BH</b>	<b>\$ 64,491,691</b>	<b>\$ 69,504,635</b>	<b>\$ 5,012,944</b>	<b>\$ (19,841,776)</b>	<b>\$ (14,828,832)</b>
608-COINSURANCE PHARMACY	12,045,671	10,537,568	(1,508,103)	13,131,017	11,622,914
619-ONSITE PHARMACY CLINIC	1,292,882	1,005,366	(287,516)	(1,192,948)	(1,480,464)
620-BENEFITS ELIMINATIONS	(709,420)	(709,420)	0	0	0
<b>Total Pharmacy</b>	<b>\$ 12,629,133</b>	<b>\$ 10,833,514</b>	<b>\$ (1,795,619)</b>	<b>\$ 11,938,069</b>	<b>\$ 10,142,450</b>
614-BEHAVIORAL HEALTH	767,079	1,027,961	260,882	5,501,893	5,762,775
629-SI DENTAL PPO	2,612,020	2,437,919	(174,101)	5,752,575	5,578,474
623-VISION	888,754	998,430	109,675	771,468	881,143
615-WELLNESS	1,179,043	912,418	(266,624)	4,761,977	4,495,353
618-BENEFIT ADMINISTRATION	1,558,921	1,754,373	195,452	5,215,707	5,411,159
999-BENEFITS CLEARING	0	(0.00)	(0)		(0)
<b>Total Other</b>	<b>\$ 7,005,817</b>	<b>\$ 7,131,100</b>	<b>\$ 125,284</b>	<b>\$ 22,003,620</b>	<b>\$ 22,128,904</b>
<b>Grand Total</b>	<b>\$ 84,126,641</b>	<b>\$ 87,469,249</b>	<b>\$ 3,342,608</b>	<b>\$ 14,099,913</b>	<b>\$ 17,442,521</b>

**Employee Self Insured Funds**

611-60 PERCENT STD	1,161,758	1,230,638	68,880	(556,765)	(487,884)
612-50 PERCENT STD	183,464	308,556	125,092	1,443,897	1,568,989
613-40 PERCENT STD	46,970	118,491	71,521	863,069	934,590
<b>Total STD</b>	<b>\$ 1,392,192</b>	<b>\$ 1,657,685</b>	<b>\$ 265,493</b>	<b>\$ 1,750,201</b>	<b>\$ 2,015,694</b>
<b>Total Self-Insured</b>	<b>\$ 85,518,833</b>	<b>\$ 89,126,935</b>	<b>\$ 3,608,101</b>	<b>\$ 15,850,114</b>	<b>\$ 19,458,216</b>

**Large Claims (>\$50,000)**

	<u>YTD Large</u>	<u>% of expenditures</u>	<u>Prior Y to Date</u>	<u>Increase</u>
601-MEDICAL HMO	8,712,286	30.77%	10,348,539	-15.8%
604-MEDICAL PPO	7,658,017	34.52%	6,358,045	20.4%
606-MEDICAL HDHP W HSA	5,626,306	40.20%	4,176,037	34.7%
	<b>\$ 21,996,609</b>	<b>34.11%</b>	<b>\$ 20,882,621</b>	<b>5.3%</b>

**Fully Insured (Agency) Funds**

<u>Fund</u>	<u>Expenditures</u>	<u>Revenues</u>	<u>Net</u>	<u>Fund Balance</u>	<u>Fund Balance</u>
				<u>7/1/2015</u>	<u>1/31/2016</u>
607-FI DENTAL PPO	\$ 2,835,199	\$ 2,469,780	\$ (365,419)	\$ 434,653	\$ 69,234
625-FI PREPAID DENTAL	128,680	132,781	4,101	106,850	110,951
<b>Total Dental</b>	<b>\$ 2,963,879</b>	<b>\$ 2,602,561</b>	<b>\$ (361,318)</b>	<b>\$ 541,504</b>	<b>\$ 180,185</b>
621-FLEX SPENDING HEALTH	1,536,152	1,371,499	(164,653)	0	(164,653)
622-FLEX SPENDING DEP CARE	391,902	587,710	195,809	0	195,809
<b>Total FSA</b>	<b>\$ 1,928,053</b>	<b>\$ 1,959,209</b>	<b>\$ 31,155</b>	<b>\$ 0</b>	<b>\$ 31,156</b>
626-FI LIFE AND AD AND D	387,742	369,187	(18,555)	36,126	17,571
627-SUPPLEMENTAL LIFE	2,222,487	2,298,689	76,202	182,267	258,469
630-DEPENDENT LIFE	208,330	240,151	31,821	1,891	33,712
<b>Total Life and AD&amp;D</b>	<b>\$ 2,818,558</b>	<b>\$ 2,908,027</b>	<b>\$ 89,468</b>	<b>\$ 220,284</b>	<b>\$ 309,752</b>
628-EMPLOYEE ASSISTANCE	245,340	245,316	(24)	2,400	2,376
631-VOLUNTARY BENEFITS	419,118	425,406	6,288	(6,223)	65
632-Senior Select	0	0	0	0	0
<b>Total Others</b>	<b>\$ 664,458</b>	<b>\$ 670,723</b>	<b>\$ 6,264</b>	<b>\$ (3,824)</b>	<b>\$ 2,441</b>
<b>Total Agency Funds</b>	<b>\$ 8,374,949</b>	<b>\$ 8,140,519</b>	<b>\$ (234,430)</b>	<b>\$ 757,964</b>	<b>\$ 523,534</b>

**MARICOPA COUNTY**  
**EMPLOYEE BENEFITS TRUST FUND**  
**Statements of Revenues, Expenses, and**  
**Changes in Net Assets —Internal Service Funds**  
**YTD as of January 31, 2016**

2/19/2016

	YTD 1/31/2016	Unaudited YTD 6/30/2015	Full Year 6/30/2014	Full Year 6/30/2013	Full Year 6/30/2012
<b>Operating revenues:</b>					
Operating income	\$ 89,065,089	\$ 129,363,895	\$ 127,869,594	\$ 127,318,181	\$ 122,941,566
Other income	61,845	11,311	3,479,437		
Investment income	0	231,834	15,139	284,792	443,209
<b>Total operating revenues</b>	<b>\$ 89,126,934</b>	<b>\$ 129,607,040</b>	<b>\$ 131,364,170</b>	<b>\$ 127,602,973</b>	<b>\$ 123,384,775</b>
<b>Operating expenses:</b>					
Losses and loss expenses	78,537,735	137,910,815	134,052,986	111,466,606	114,179,304
All other expenses	6,981,098	11,972,785	6,362,562	7,706,150	7,060,881
<b>Total operating expenses</b>	<b>\$ 85,518,833</b>	<b>\$ 149,883,600</b>	<b>\$ 140,415,548</b>	<b>\$ 119,172,756</b>	<b>\$ 121,240,185</b>
<b>Nonoperating revenues:</b>					
Capital contributions			0	0	0
Return of contributions			(3,415,266)	(6,178,953)	
Transfers to Other Funds			0	0	0
Short-Term Disability Rebate			0	0	0
Loss on disposal of capital assets			0	0	0
<b>Total nonoperating revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (3,415,266)</b>	<b>\$ (6,178,953)</b>	<b>\$ -</b>
<b>Change in net position</b>	<b>3,608,101</b>	<b>(20,276,560)</b>	<b>(12,466,644)</b>	<b>2,251,264</b>	<b>2,144,590</b>
<b>Total net position - Beginning</b>	<b>15,850,114</b>	<b>37,899,371</b>	<b>45,418,987</b>	<b>43,167,723</b>	<b>41,023,133</b>
Open Fund Balance Adjustment		(1,772,697)	4,947,028		
<b>Total net position - Ending</b>	<b>\$ 19,458,215</b>	<b>\$ 15,850,114</b>	<b>\$ 37,899,371</b>	<b>\$ 45,418,987</b>	<b>\$ 43,167,723</b>

**Maricopa County**  
**Employee Benefits Trust Funds**  
**Statements of Net Assets - Internal Service Funds**  
**January 31, 2016, June 30, 2015, June 30, 2014, June 30, 2013, and June 30, 2012**

	1/31/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
<b>Assets</b>					
Cash and cash equivalents	\$ 30,087,289	\$ 33,472,497	\$ 45,855,345	\$ 60,786,170	\$ 60,636,639
Interest receivable	48,819	48,819	70,893	81,633	42,598
Accounts receivable	356,525	598,705	6,702,546	570,404	924,206
Due from Other Departments	3,546,330	0	0		
Prepaid insurance	1,430,441	1,694,818	2,748,710	2,606,982	1,411,102
Deferred Outflows Related to Pension	245,692	245,692			
Capital assets, net	27,832	27,832	5,926	0	0
	<b>\$ 35,742,928</b>	<b>\$ 36,088,363</b>	<b>\$ 55,383,420</b>	<b>\$ 64,045,189</b>	<b>\$ 63,014,545</b>
<b>Liabilities</b>					
Accounts payable	103,065	2,482,703	1,147,163	586,562	88,404
Accrued Liabilities	2,183,023	1,859,043	4,490,145	9,617,663	5,554,366
Employee compensation payable	144,933	178,173	159,445	135,030	3,268,085
Net Pension Liability	1,728,045	1,728,045			
Deferred Inflows Related to Pension	302,182	302,182			
Reserve for losses and loss expenses	11,823,461	13,688,100	11,687,296	8,286,947	10,935,968
	<b>\$ 16,284,709</b>	<b>\$ 20,238,246</b>	<b>\$ 17,484,049</b>	<b>\$ 18,626,202</b>	<b>\$ 19,846,823</b>
<b>Net Position</b>					
Invested in capital assets	27,832	27,832	5,926	0	0
Unrestricted (deficit)	19,430,386	15,822,285	37,893,445	45,418,987	43,167,723
	<b>\$ 19,458,218</b>	<b>\$ 15,850,117</b>	<b>\$ 37,899,371</b>	<b>\$ 45,418,987</b>	<b>\$ 43,167,723</b>



**Employee Benefits Trust Funds**  
**Balance Sheet Details**  
January 31, 2016, June 30, 2015, June 30, 2014, June 30, 2013, and June 30, 2012

2/18/2016

	1/31/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
<b><u>Accounts receivable</u></b>					
<i>COBRA Receivable</i>	\$ 179,698	\$ 114,545	\$ 60,052	\$ 61,592	\$ 164,058
<i>Cigna HMO</i>	0	0	5,916,967	1,057	1,154
<i>Dental</i>				1,154	1,057
<i>Wellness</i>	0	0	238,540		
<i>Catamaran Rebate</i>	176,826	484,160	486,988	506,600	757,936
<b>Total Accounts receivable</b>	<b>\$ 356,524</b>	<b>\$ 598,705</b>	<b>\$ 6,702,547</b>	<b>\$ 570,403</b>	<b>\$ 924,205</b>
<b><u>Prepaid insurance</u></b>					
<i>STD</i>	\$ 207,152	\$ 207,152	\$ 131,947	\$ 87,530	\$ 94,567
<i>Vision</i>	0	0	0	0	4,989
<i>Dental</i>	82,376	116,442	99,851	17,190	
<i>Medical</i>	1,140,913	1,371,224	2,516,912	2,502,262	1,311,547
<b>Total prepaid insurance</b>	<b>\$ 1,430,441</b>	<b>\$ 1,694,818</b>	<b>\$ 2,748,710</b>	<b>\$ 2,606,982</b>	<b>\$ 1,411,103</b>
<b><u>Accounts Payable</u></b>					
<i>Medical</i>	\$ -	\$ 332,319	\$ 26,649	\$ -	\$ -
<i>Behavioral Health</i>	0	0	0	65,355	38,030
<i>Vision</i>	0	73,847	67,670	280,230	
<i>Pharmacy</i>	0	1,811,493	751,753		
<i>STD</i>	0	13,574	19,266	13,978	11,929
<i>Dental</i>	0			0	5,754
<i>Benefits Administration</i>	47,159	36,247	106,849	0	23,474
<i>WELLNESS</i>	55,906	9,052	55,576	18,399	9,218
<i>619-ONSITE PHARMACY CLINIC</i>	0	206,173	119,395	208,601	
<b>Total accounts payable</b>	<b>\$ 103,065</b>	<b>\$ 2,482,705</b>	<b>\$ 1,147,158</b>	<b>\$ 586,563</b>	<b>\$ 88,405</b>
<b><u>Accrued Liabilities</u></b>					
<i>Medical</i>	\$ 1,574,133	\$ 1,485,457	\$ 3,760,742	\$ 1,664,741	\$ 2,846,956
<i>Pharmacy</i>				524,517	625,425
<i>Behavioral Health</i>	4	0	0	355	
<i>Vision</i>	0	0	0	(132,683)	0
<i>Dental</i>	240,663	187,828	141,484	157,837	139,519
<i>STD</i>	14,382	0	0	6,178,953	
<i>Accrued Employee Rebate</i>					
<i>618-BENEFITS ADMINISTRATION</i>	225,842	0	0		
<i>619-ONSITE PHARMACY CLINIC</i>	128,000	0	0		
<i>999-BENEFITS CLEARING</i>	0	185,754	587,921	1,223,942	1,942,466
<b>HEALTH SELECT SI TRUST</b>					
<b>Total Accrued Liabilities</b>	<b>\$ 2,183,024</b>	<b>\$ 1,859,039</b>	<b>\$ 4,490,147</b>	<b>\$ 9,617,662</b>	<b>\$ 5,554,366</b>
<b><u>Employee compensation payable</u></b>					
<i>Consumer Choice Pharmacy Employee Allowance</i>	\$ -	\$ -		\$ 6,609	\$ 3,122,217
<i>618-Employee compensation payable</i>	113,192	135,205	117,960	128,422	145,869
<i>615-Employee compensation payable</i>	31,741	42,968	41,485		
<b>Total Employee Comp Accrual</b>	<b>\$ 144,933</b>	<b>\$ 178,173</b>	<b>\$ 159,445</b>	<b>\$ 135,031</b>	<b>\$ 3,268,086</b>
<b><u>Reserve for losses and loss expenses -IBNR Details</u></b>					
<i>Medical- HMO</i>	\$ 3,500,000	\$ 3,236,668	\$ 3,507,145	\$ 2,832,087	\$ 5,226,188
<i>Medical - PPO</i>	4,400,000	5,671,905	4,227,380	2,583,203	3,738,425
<i>Medical - HDHP</i>	2,500,000	3,356,066	2,500,096	1,580,489	823,806
<i>Pharmacy</i>	9,403	9,403			
<i>Behavioral Health</i>	128,297	128,297	226,157	293,592	231,766
<i>Vision</i>	167,817	167,817	143,530	161,597	107,576
<i>Dental</i>	654,002	654,002	553,998	466,041	484,345
<i>STD</i>	463,942	463,942	528,990	369,937	323,861
<b>Total Reserve for losses and loss expenses</b>	<b>\$ 11,823,461</b>	<b>\$ 13,688,100</b>	<b>\$ 11,687,296</b>	<b>\$ 8,286,946</b>	<b>\$ 10,935,967</b>

**MARICOPA COUNTY**  
**EMPLOYEE BENEFITS TRUST FUNDS**  
Seven Months Ended January 31, 2016

**Self Insured Funds**

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance %</u>
<b>Revenue</b>				
601-MEDICAL HMO	\$ 30,826,642	\$ 30,702,857	\$ (123,785)	-0.40%
604-MEDICAL PPO	23,134,679	23,724,630	589,951	2.55%
606-MEDICAL HDHP W HSA	15,184,141	15,077,147	(106,994)	-0.70%
614-BEHAVIORAL HEALTH	1,027,012	1,027,961	949	0.09%
<b>Total Medical &amp; BH</b>	<b>\$ 70,172,474</b>	<b>\$ 70,532,596</b>	<b>360,122</b>	<b>0.51%</b>
629-SI DENTAL PPO	2,643,025	2,437,919	(205,106)	-7.76%
<b>Total Dental</b>	<b>\$ 2,643,025</b>	<b>\$ 2,437,919</b>	<b>(205,106)</b>	<b>-7.76%</b>
608-COINSURANCE PHARMACY	10,542,329	10,537,568	(4,761)	-0.05%
619-ONSITE PHARMACY CLINIC	906,388	1,005,366	98,978	10.92%
620- BENEFITS ELIMINATIONS	(675,493)	(709,420)	(33,927)	5.02%
<b>Total Pharmacy</b>	<b>\$ 10,773,224</b>	<b>\$ 10,833,514</b>	<b>94,217</b>	<b>0.87%</b>
623-VISION	1,012,396	998,430	(13,966)	-1.38%
<b>Total Vision</b>	<b>\$ 1,012,396</b>	<b>\$ 998,430</b>	<b>(13,966)</b>	<b>-1.38%</b>
615-WELLNESS	907,809	912,418	4,609	0.51%
618-BENEFIT ADMINISTRATION	1,744,073	1,754,373	10,300	0.59%
<b>Total Other</b>	<b>\$ 2,651,882</b>	<b>\$ 2,666,791</b>	<b>14,909</b>	<b>0.56%</b>
<b>Grand Total</b>	<b>\$ 87,253,001</b>	<b>\$ 87,469,249</b>	<b>\$ 216,248</b>	<b>0.25%</b>

**Employee Self Insured Funds**

611-60 PERCENT STD	\$ 1,287,419	\$ 1,230,638	\$ (56,781)	-4.41%
612-50 PERCENT STD	238,280	308,556	70,276	29.49%
613-40 PERCENT STD	94,066	118,491	24,425	25.97%
<b>Total STD</b>	<b>\$ 1,619,765</b>	<b>\$ 1,657,685</b>	<b>37,920</b>	<b>2.34%</b>
<b>Total Revenue</b>	<b>\$ 88,872,766</b>	<b>\$ 89,126,935</b>	<b>254,169</b>	<b>0.29%</b>

**Expenses**

601-MEDICAL HMO	\$ 29,888,658	\$ 28,314,529	\$ 1,574,129	5.27%
604-MEDICAL PPO	21,543,986	22,181,096	(637,110)	-2.96%
606-MEDICAL HDHP W HSA	13,719,534	13,996,066	(276,532)	-2.02%
614-BEHAVIORAL HEALTH	998,355	767,079	231,276	23.17%
<b>Total Medical &amp; BH</b>	<b>\$ 66,150,533</b>	<b>\$ 65,258,771</b>	<b>\$ 891,762</b>	<b>1.35%</b>
629-SI DENTAL PPO	2,640,724	2,612,020	28,704	1.09%
<b>Total Dental</b>	<b>\$ 2,640,724</b>	<b>\$ 2,612,020</b>	<b>28,704</b>	<b>1.09%</b>
608-COINSURANCE PHARMACY	9,712,592	12,045,671	(2,333,079)	-24.02%
619-ONSITE PHARMACY CLINIC	1,183,580	1,292,882	(109,302)	-9.23%
620- BENEFITS ELIMINATIONS	(675,493)	(709,420)	33,927	-5.02%
<b>Total Pharmacy</b>	<b>\$ 10,220,679</b>	<b>\$ 12,629,133</b>	<b>(2,408,454)</b>	<b>-23.56%</b>
623-VISION	1,105,915	888,754	217,161	19.64%
<b>Total Vision</b>	<b>\$ 1,105,915</b>	<b>\$ 888,754</b>	<b>217,161</b>	<b>19.64%</b>
615-WELLNESS	1,071,708	1,179,043	(107,335)	
618-BENEFIT ADMINISTRATION	1,665,157	1,558,921	106,236	6.38%
<b>Total Other</b>	<b>\$ 2,736,865</b>	<b>\$ 2,737,964</b>	<b>\$ (1,099)</b>	<b>-0.04%</b>
<b>Grand Total</b>	<b>\$ 82,854,716</b>	<b>\$ 84,126,641</b>	<b>\$ (1,271,925)</b>	<b>-1.54%</b>

**Employee Self Insured Funds**

611-60 PERCENT STD	\$ 1,316,504	\$ 1,161,758	\$ 154,746	11.75%
612-50 PERCENT STD	210,320	183,464	26,856	12.77%
613-40 PERCENT STD	81,109	46,970	34,139	42.09%
<b>Total STD</b>	<b>\$ 1,607,933</b>	<b>\$ 1,392,192</b>	<b>\$ 215,741</b>	<b>13.42%</b>
<b>Total Self-Insured</b>	<b>\$ 84,462,649</b>	<b>\$ 85,518,833</b>	<b>\$ (1,056,184)</b>	<b>-1.25%</b>